

## Message Text

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17 11  
ORIGIN EB-03

INFO OCT-01 SS-14 ISO-00 EA-13 AGR-03 NSC-10 CIAE-00

INR-10 NSAE-00 RSC-01 PRS-01 COME-00 STR-01 CIEP-01

L-01 H-01 /060 R

DRAFTED BY EB/ICD/TRP:HFWANNING/EA/PHL:RTWILLNER:DE  
APPROVED BY EB/ORF/JLKATZ  
EB/ORF/ICD;JJINGERSOLL  
USDA: ABCALCAGANI  
EA/PHL:ECHULEN (SUBSTANCE)  
EA:HHBARGER (SUBSTANCE)

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R 212220Z NOV 73  
FM SECSTATE WASHDC  
TO AMEMBASSY MANILA

C O N F I D E N T I A L STATE 229930

LIMDIS

E.O. 11652 GDS  
TAGS: EAGR, RP, US  
SUBJECT: SUGAR

REF: MANILA 12678

1. DEPARTMENT REGRETS THAT YOUR WASHINGTON BRIEFINGS DID NOT INTRODUCE YOU TO THE INTRICACIES OF THE US SUGAR ACT. YOU MAY BE ASSURED, HOWEVER, THAT THE HANDLING OF SUGAR QUOTAS IS NEITHER CASUAL NOR UNCOORDINATED.

2. CHANGES IN QUOTAS ARE MADE IN COMPLIANCE WITH SPECIFIC PROVISIONS OF SUGAR ACT WHICH CALL FOR RESPONSE TO CHANGES IN MARKET SITUATION. ONLY DISCRETION IS IN TOTAL AMOUNT OF CHANGE AND NOT HOW IT IS ALLOCATED. INDIVIDUAL ALLOCATIONS WITHIN TOTAL NORMALLY STRICTLY REGULATED BY ACT. WHILE MARKET SITUATION IS DISCUSSED FREQUENTLY BETWEEN  
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STATE AND USDA, ACT GIVES SOLE AUTHORITY TO MAKE CHANGES

TO SECRETARY OF AGRICULTURE. FOR EXAMPLE, PHILIPPINES AUTOMATICALLY RECEIVES 30-08 PERCENT OF SHORTFALLS AND PRO RATA SHARE OF CONSUMPTION INCREASES, UNLESS FIRST-COME, FIRST-SERVED METHOD OF ALLOCATION IS USED. FIRST-COME, FIRST-SERVED SYSTEM USED ONLY IN LAST QUARTER OF YEAR WHEN NORMAL PRORATIONS WOULD NOT BE MET BY SOME QUOTA COUNTRIES.

3. AS REGARDS NOTIFICATION, ANNOUNCEMENTS HAVE MARKET

IMPACT AND MUST BE CLOSELY HELD UNTIL PUBLIC RELEASE AND THEREFORE COULD NOT BE USED BY THE EMBASSY EVEN IF MADE AVAILABLE IN ADVANCE. WITH GOP EMBASSY AND SUGAR LOBBYISTS, AS WELL AS WIRE SERVICES, ALERT TO PICK UP USDA RELEASES FOR RELAY TO THEIR CLIENTS, IT IS VERY DIFFICULT FOR DEPARTMENT TO PROVIDE WORD AHEAD OF OTHER SOURCES. WE ATTEMPT TO HAVE CABLE TRANSMITTED WITHIN ONE HOUR OF ANNOUNCEMENTS AND SUCCEED IN MOST CASES. (ON TWO OCCASIONS IN SEPTEMBER-OCTOBER THERE WERE SLIP-UPS AND THIS SCHEDULE WAS NOT MET.) SINCE NORMAL TIME OF RELEASE IN WASHINGTON IS ABOUT 4 PM, CABLES DO NOT REACH MANILA UNTIL FOLLOWING DAY DUE TO TIME DIFFERENTIAL. PLEASE ADVISE IF YOU WISH THESE ROUTINE MESSAGES SENT MANILA IMMEDIATE NIACT.

4. RE YOUR REQUEST FOR STATEMENT ON SUGAR POLICY FOR PERIOD AFTER DECEMBER 31, 1974, WHEN SUGAR ACT EXPIRES, NO ADMINISTRATION POSITION HAS BEEN DETERMINED AND THERE IS NOT REMOTEST CHANCE FOR DECISION BY YOUR DECEMBER 1 DEADLINE. IN ANTICIPATION OF LEGISLATIVE REVIEW IN 1974, ALL POLICY OPTIONS ARE BEING STUDIED, AND USDA OFFICIALS HAVE CHOSEN TO MAKE PROPOSAL PUBLIC FOR SAKE OF DISCUSSION, AS HAVE OTHERS. WE CANNOT CONTROL COURSE OF PUBLIC DISCUSSION OF POLICY ALTERNATIVES, EVEN IF WE WISHED TO DO SO. IN DISCUSSIONS WITH FILIPINOS ON SUGAR, DEPARTMENT OFFICERS HAVE SOUGHT TO EMPHASIZE THAT CONGRESS HAS FINAL WORD ON FUTURE SUGAR POLICY AND OUTCOME THEREFORE DIFFICULT TO PREDICT. WHEN MORE DETAILED GUIDANCE CAN BE DEVELOPED, DEPT WILL RELAY IT FOR YOUR USE.

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5. IN THIS RESPECT, USDA AND STATE HAVE ENJOYED CLOSE AND EXTENSIVE COMMUNICATIONS ON SUGAR POLICY QUESTIONS OVER THE YEARS AND CONTINUE TO DO SO. USDA IS WELL AWARE THAT SUGAR POLICY HAS AN IMPACT ON FOREIGN POLICY, AND THAT FOREIGN POLICY HAS IMPACT ON SUGAR POLICY. DEVELOPMENT OF SUGAR POLICY FOR PERIOD BEGINNING JANUARY 1975 WILL BE PAINFUL, OPEN PROCESS WHICH WILL UNDOUBTEDLY CAUSE UNCERTAINTY IN THE PHILIPPINES AND ELSEWHERE. WE

WILL KEEP EMBASSY INFORMED, AND HOPE EMBASSY WILL REPORT  
PHILIPPINE REACTION TO ALTERNATIVE PROPOSALS AS THEY ARE  
MADE PUBLIC. FINAL DECISION WILL INVOLVE NUMEROUS  
INPUTS, AMONG WHICH PHILIPPINE-US RELATIONS WILL BE ONLY  
ONE. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUGAR, PRESS COMMENTS, FOREIGN RELATIONS, IMPORT QUOTAS, APPROPRIATIONS, PUBLIC ADMINISTRATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 NOV 1973  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** collinp0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** MANILA 12678  
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**Review Content Flags:**  
**Review Date:** 01 FEB 2002  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SUGAR  
**TAGS:** EAGR, RP, US  
**To:** MANILA  
**Type:** TE  
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